# ORIGINAL



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FENNEMORE CRAIG A Professional Corporation MIG 24 P 4: 49 Jay L. Shapiro (No. 014650) 3003 North Central Avenue, Suite 2600 SIGN Phoenix, Arizona 85012 MIGHET CONTROL Telephone (602) 916-5000 Arizona Corporation Commission DOCKETED

AUG 2 4 2012



Attorneys for Valley Utilities Water Company, Inc.

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# BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF VALLEY UTILITIES WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR AN INCREASE IN ITS RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO. W-01412A-12-0195

NOTICE OF FILING CERTIFICATE OF PUBLICATION AND PROOF OF MAILING

Pursuant to the Procedural Order dated July 23, 2012, Valley Utilities Water Company, Inc. ("Valley Utilities" or "Company") hereby submits this Notice of Filing Certificate of Publication and Proof of Mailing in the above-captioned matter.

On August 17, 2012 notice regarding the February 27, 2013 hearing on Valley Utilities' application for an increase in its water rates was published in the West Valley View. The affidavit of Elliott Freireich, President of West Valley View, Inc., is attached hereto as **Exhibit 1**.

On August 16, 2012, the Company mailed a copy of the notice to its customers. The affidavit of Robert L. Prince is attached hereto as **Exhibit 2**.

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RESPECTFULLY SUBMITTED this 24th day of August, 2012. 1 2 FENNEMORE CRAIG, P.C. 3 4 By: Jay L. Shapiro 5 Attorneys for Valley Utilities Water Company, Inc. 6 7 8 ORIGINAL and 13 copies filed this 24th day of August, 2012 with: 9 **Docket Control** 10 Arizona Corporation Commission 1200 West Washington Street 11 Phoenix, Arizona 85007 12 **COPY** of the foregoing 13 was hand-delivered 14 this 24th day of August, 2012 to: 15 Sarah Harpring, ALJ Hearing Division 16 Arizona Corporation Commission 1200 West Washington Street 17 Phoenix, Arizona 85007 18 Wes Van Cleve **Bridget Humphrey** 19 Legal Division 20 Arizona Corporation Commission 1200 West Washington Street 21 Phoenix, Arizona 85007 22 23 7384077.1/024964.0005 24 25

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# EXHIBIT 1

# West Business

1050 E. Riley Dr., Avondale, AZ 85323 ❖ (623) 535-8439 ❖ Fax: (623) 935-2103

AFFIDAVIT OF PUBLICATION	
State of Arizona	
County of Maricopa	
I, Elliott Freireich, publisher of West Valley View and West Valley Business, newspapers of general circulation in Avondale, Buckeye, Goodyear, Litchfield Park and Tolleson, Arizona, attest that the legal advertisement for  A legal tichical water  Historia Mater  Historia Material  Historia Materia  Historia Material  Historia Materia  Historia Material  Historia Materia  Historia Materia  Historia Materia  Historia Materia  Historia Materia  Historia M	
will be that been published on Avg us + 17, 2012  Elliott Freireich President, West Valley View Inc.	
SUBSCRIBED AND SWORN TO BEFORE ME ON THE  17 DAY OF QUELLE (Month), 2017 (YEAR)  NOTARY SIGNATURE: Rue Learn Hartman	<b>~</b> .
Rerie LeeAnn Hartmann Notary Public ARIZONA MARICOPA COUNTY	

Commission No. 187168 My Commission Expires 9/30/2015

### **Public Notice**

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF VALLEY UTILITIES WATER COMPANY, INC. FOR A
PERMANENT RATE INCREASE
(DOCKET NO.
W-01412A-12-0195)

Summary

Summary
On May 30, 2012, Valley
Utilities Water Company, Inc.
("Valley Utilities") filed with the
Arizona Corporation Commission
("Commission") an application
requesting a permanent increase in its rates and charges for water utility services. Valley Utilities asserted that its current rates and charges, established in Decision No. 71482 (February 3, 2010), are inadequate to provide Valley Utilities a fair rate of return on the fair value of its plant and property devoted to public water utility service. Valley Utilities asserted that for its test year ending December 31, 2011 ("TY"), it had adjusted gross revenues of \$1,454,522, adjusted operating income of \$19,630, and a fair value rate base ("FVRB") of \$2,201,395, for a rate of return of 0.89 percent. Valley return of 0.89 percent. Valley Utilities requested an increase in revenues of \$157,015, or 10.79 percent, and asserted that this increase would result in a rate of return on its FVRB of 6.451 percent. Valley Utilities further requested that the Commission make permanent the Arsenic Remediation Surcharge Mechanism ("ARSM") approved in Decision No. 71287 (October 7, 2009), which is set to expire on the earlier of August 31, 2013, or the effective date of the rates established in this proceeding.

established in this proceeding.
Under Valley Utilities' proposal,
the regular monthly bill for a residential customer served by a residential customer served by a % " meter, with average monthly usage of 9,425 gallons, would increase from \$38.78 to \$43.80, an increase of \$5.02 or 12.96%. The current arsenic remediation surcharge of \$8.26 per month would also be retained, bringing the customer's total monthly bill to \$52.08

to \$52.06.
The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding valiey Utilities' proposed rate increase. The Commission will determine the appropriate relief to be granted based on the evidence presented by the parties. THE COMMISSION IS NOT BOUND presented by the parties. THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY VALLEY UTILITIES, STAFF, OR ANY INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY VALLEY UTILITIES OR RECOMMENDED BY OTHER PARTIES.

How You Can View or Obtain a Copy of the Rate Proposal Copies of the application and proposed rates are available from Valley Utilities at 6808 North Dysart Road, Suite 112, Glendale, Arizona, Tuesday through Friday from 8:00 a.m. to 11:30 a.m. and at the Commission's Docket Control Center at 1200 West Washington, Phoenix,

Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www. azcc.gov) using the e-Docket function.

Arizona Corporation
Commission Public Hearing
Information
The Commission will hold a

The Commission will hold a hearing on this matter in Hearing Room No. 1 at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007. The hearing will commence on February 27, 2013, at 10:00 a.m. Oral public comments will be taken on the first day of hearing. Written public comments maybe submitted by mailing a letter referencing Docket No. W-01412A-12-0195 to Arizona Corporation Commission, Consumer Service Section,

Corporation Commission, Consumer Service Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/1\_publiccommentform. pdf. If you require assistance, you may contact the Consumer Service Section at 1-800-222-

About Intervention
The law provides for an open public hearing at which, under appropriate circumstances, appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than October 12, 2012, and send a copy of the motion to Valley Utilities or its counsel and to all parties of record. Your motion to intervene must contain

the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;

2. A short statement of your

interest in the proceeding (e.g., a customer of Valley Utilities, a shareholder of Valley Utilities, etc.); and
3. A statement certifying that

you have mailed a copy of the motion to intervene to Valley Utilities or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filled on or before October 12, 2012. If representation by counsel is required by Arizona Supreme Court Rule31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at http://www.azcc.gov/divisions/ utilities/forms/interven.pdf. The utilities/forms/intervent.por. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to Intervene will not preclude any intervene or entitle from interested person or entity from appearing at the hearing and providing public comment on the application or from filling written comments in the record of the

ADA/Equal
Information
The Commission not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation. Published in the West Valley View, and the West Valley Business on August 17, 2012.

# EXHIBIT 2

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# AFFIDAVIT OF MAILING

Robert L. Prince, being duly sworn, deposes and says:

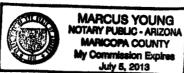
- 1. I am a resident of the State of Arizona, Maricopa County, over 18 years of age and make this affidavit based on my own personal knowledge.
- 2. I am the President of Valley Utilities Water Company, Inc. (the "Company").
- 3. Pursuant to the Procedural Order dated July 23, 2012, on Thursday, August 16, 2012, the Company mailed to its customers the public notice regarding the February 27, 2013 hearing on the Company's request for an increase in its water rates. A copy of the notice and the Postage Statement are attached as Exhibit A.
  - Pursuant to the order, the Company submits this proof of mailing. 4.

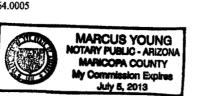
STATE OF ARIZONA COUNTY OF Maricon )

The above-described instrument was acknowledged before me this 23' August, 2012 by Robert L. Prince, President of Valley Utilities Water Company, Inc.

My Commission Expires:

7384026.1/024964.0005





# **Exhibit A** to Affidavit of Mailing

# PUBLIC NOTICE OF HEARING ON THE APPLICATION OF VALLEY UTILITIES WATER COMPANY, INC. FOR A PERMANENT RATE INCREASE (DOCKET NO. W-01412A-12-0195)

# **Summary**

On May 30, 2012, Valley Utilities Water Company, Inc. ("Valley Utilities") filed with the Arizona Corporation Commission ("Commission") an application requesting a permanent increase in its rates and charges for water utility services. Valley Utilities asserted that its current rates and charges, established in Decision No. 71482 (February 3, 2010), are inadequate to provide Valley Utilities a fair rate of return on the fair value of its plant and property devoted to public water utility service. Valley Utilities asserted that for its test year ending December 31, 2011 ("TY"), it had adjusted gross revenues of \$1,454,522, adjusted operating income of \$19,630, and a fair value rate base ("FVRB") of \$2,201,395, for a rate of return of 0.89 percent. Valley Utilities requested an increase in revenues of \$157,015, or 10.79 percent, and asserted that this increase would result in a rate of return on its FVRB of 6.451 percent. Valley Utilities further requested that the Commission make permanent the Arsenic Remediation Surcharge Mechanism ("ARSM") approved in Decision No. 71287 (October 7, 2009), which is set to expire on the earlier of August 31, 2013, or the effective date of the rates established in this proceeding.

Under Valley Utilities' proposal, the regular monthly bill for a residential customer served by a ¾ " meter, with average monthly usage of 9,425 gallons, would increase from \$38.78 to \$43.80, an increase of \$5.02 or 12.96%. The current arsenic remediation surcharge of \$8.26 per month would also be retained, bringing the customer's total monthly bill to \$52.06.

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### How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from Valley Utilities at 6808 North Dysart Road, Suite 112, Glendale, Arizona, Tuesday through Friday from 8:00 a.m. to 11:30 a.m. and 12:30 p.m. to 4:00 p.m., and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

# <u>Arizona Corporation Commission Public Hearing Information</u>

The Commission will hold a hearing on this matter in Hearing Room No. 1 at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007. The **hearing will** commence on **February 27, 2013, at 10:00 a.m.** Oral public comments will be taken on the first day of hearing.

Written public comments maybe submitted by mailing a letter referencing Docket No. W-01412A-12-0195 to Arizona Corporation Commission, Consumer Service Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to http://www.azcc.gov/divisions/utilities/forms/1\_publiccommentform.pdf. If you require assistance, you may contact the Consumer Service Section at 1-800-222-7000.

## **About Intervention**

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- 1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
- A short statement of your interest in the proceeding (e.g., a customer of Valley Utilities, a shareholder of Valley Utilities, etc.); and
- A statement certifying that you have mailed a copy of the motion to intervene to Valley Utilities or its counsel and to all parties of record in the case.

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## **ADA/Equal Access Information**

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Mailing of customer notices for rate application.

United States Postal Service

# Postage Statement—First-Class Mail-Easy Nonautomation Letters, Cards, or Flats



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